

ATTACHMENT 1

ANSWER TO QUESTION 9

The application of Navigata Communications Ltd. qualifies for streamlined processing pursuant to 47 C.F.R. Section 63.12 because:

1. The applicant has no affiliation within the meaning of Section 63.18(h)(1)(i) with any dominant U.S. carrier whose international services the applicant seeks authority to resell; and
2. The applicant does not seek authority to provide switched basic services over private lines to any country; and
3. The applicant, although a foreign carrier and affiliated with a foreign carrier, should be presumptively classed as non-dominant. The applicant is a Canadian-based telecommunications company licensed by the Canadian Radio-Television and Telecommunications Commission as a reseller. The applicant provides international transport and local access services in the Provinces of British Columbia, Alberta, Ontario and Quebec in Canada. Of the total Canadian market for international transport services estimated to be 50 billion minutes per month, the applicant provides less than 5 million minutes per month, or less than one-tenth of one (1) percent of the entire Canadian market. The applicant has less than 14,000 local access lines scattered across four Canadian provinces and is in fact no longer actively marketing its local access service offering. The applicant's total telecommunications revenues of approximately \$45,000,000 (U.S.) represent only a tiny fraction of the total telecommunications services market revenue in Canada, estimated to be \$32.6 billion (Cdn.) in 2004.

The applicant is affiliated with SaskTel, the incumbent local exchange carrier in the Province of Saskatchewan, Canada. The applicant is affiliated with SaskTel, as they are owned by the same parent company, Saskatchewan Telecommunications Holding Corporation. SaskTel and Saskatchewan Telecommunications Holding Corporation are 100 percent owned by the

Government of the Province of Saskatchewan, Canada, and are agents of the Crown in Right of the Province of Saskatchewan. Although as the incumbent ILEC in the Province of Saskatchewan, Canada, SaskTel is the dominant carrier, in the Canadian market as a whole in terms of total telecom market revenues, SaskTel is a very small player. As noted, the total 2004 Canadian telecom market revenues are projected to be \$32.6 billion (Cdn.). SaskTel's total 2003 revenues of approximately \$899,000,000 (Cdn.) results in SaskTel only having a 2.8 percent share of total Canadian telecom market revenues.

The applicant does not offer its services in the Province of Saskatchewan, Canada. SaskTel, the applicant's affiliate, does not offer international transit services on a wholesale basis and relies on other carriers to terminate its out-of-province and international traffic. SaskTel does not offer local access service outside the Province of Saskatchewan. The Province of Saskatchewan is a small market with a population of 1,000,000 out of the total Canadian population of approximately 30,000,000.

The applicant suggests a presumption of non-dominance for the application using the test in Section 63.10(3) is warranted.

ANSWER TO QUESTION 11

The applicant responds to Section 63.18(i) through (m) as follows:

- (i) Navigata Communications Ltd. is a foreign carrier as it is incorporated under the laws of the Province of Saskatchewan, and is extra-provincially and validly registered to do business in the Canadian provinces of British Columbia, Alberta, Ontario and Quebec. The applicant carries on the telecommunications business of Navigata Communications Partnership, a partnership registered in Alberta, Canada. The partners of Navigata Communications Partnership are Navigata Holding CCIV, Inc., of Regina, Saskatchewan, and Monarch Cablesystems Ltd.,

of Medicine Hat, Alberta, Canada. Navigata Holding CCIV, Inc. holds a 95 percent interest in the Navigata Communications Partnership, and Monarch Cablesystems Ltd. owns a 5 percent interest in Navigata Communications Partnership. Navigata Holding CCIV, Inc. and Navigata Communications Ltd. are 100 percent owned by Saskatchewan Telecommunications Holding Corporation. Thus, the applicant, Navigata Communications Ltd., is affiliated with SaskTel, as both are 100 percent owned by the same parent company, namely, Saskatchewan Telecommunications Holding Corporation.

The applicant is not a foreign carrier or affiliated with any foreign carrier in any destination country other than Canada as described.

- (j) The applicant seeks to provide international telecommunication services to Canada where the applicant is affiliated with SaskTel, but where neither the applicant nor SaskTel are dominant carriers in the Canadian market, and the applicant and SaskTel do not offer services in each other's markets.
- (k) The applicant states:
 - (i) Canada is a member of the World Trade Organization; and
 - (ii) the Applicant's affiliated foreign carrier, SaskTel, lacks market power in Canada. (See response of applicant to Question 9.)
- (l) The applicant is not proposing to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunication services to Canada. In any event, the applicant submits that it is entitled to a presumption of non-dominance within Section 63.10(a)(3) based on the applicant's response to Question 9.
- (m) The applicant relies on its response to Question 9 as sufficiently demonstrating that it qualifies for non-dominant classification for regulatory classification purposes.

ANSWER TO QUESTION 12

Canada

ANSWER TO QUESTION 13

The applicant responds to Question 13 as follows:

The applicant seeks authority to provide services to Canada where it is affiliated with SaskTel. That affiliation is described in the applicant's response to Questions 9 and 11. The applicant and its affiliate, SaskTel, offers services in different markets as described in the applicant's answer to Question 11.

ANSWER TO QUESTION 15

Navigata Communications Ltd. responds to Sections 63.18(d), (e)3 and (g) as follows:

- (d) Navigata Communications Ltd. has not received previous authority under Section 214.
- (e)3 Navigata Communications Ltd. requests Section 214 Authority to operate as a facilities-based carrier pursuant to the terms and conditions of Section 63.18(e)(1) and as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2).
- (g) Navigata Communications Ltd. does not seek facilities-based authority as defined by Section 1.1306, therefore no environmental assessment as described in Section 1.1311 is applicable.